Touax®

YOUR OPERATIONAL LEASING SOLUTION

2016 RESULTS

- Growth of all operational indicators (revenue, EBITDA and profitability)
- Operating profit at €4.4 million, up by €17.5 million
- Positive operating cash flow at €30.2 million
- Loan to value ratio improved to 60%

Main figures *(in € million - IFRS)*	**2016**	2015	Variation 2016-2015
Revenue	**362.9**	**348.2**	**4.2 %**
including Shipping containers	162.9	170.6	-4.5 %
Modular buildings	137.9	118.9	16 %
River barges	13.9	16.4	-15.2 %
Freight railcars	48.8	43.2	13 %
Miscellaneous and unallocated	-0.6	-0.9	-33.3 %
Gross operating margin - EBITDAR (1)	102.5	96.7	+5.8m€
EBITDA (2)	44.1	36.2	+7.9m€
EBITDA restated for non-recurring items (*)	45.2	39.9	+5.3m€
Operating income	4.4	-13.1	+17.5m€
Profit before tax	-11.2	-28.4	+17.2m€
Profit before tax restated for non-recurring items (**)	-6.3	-12.3	+6.0m€
Consolidated net profit (loss) (Group's share)	**-11.6**	**-24**	**+12.4m€**
Net earnings per share (€)	-1.82	-4.08	
Total non-current assets	503.9	523.8	-19.9m€
Total assets	633.3	689.5	-56.2m€
Total shareholders' equity	156.7	162.8	-6.1m€
Net bank borrowing (3)	336.8	354.5	-17.7m€
Operating cash flow	30.2	41.6	-11.4m€
Loan to Value	60%	61 %	

(1) the EBITDAR (earnings before interest taxes depreciation and amortization and rent) calculated by the Group corresponds to the operating income increased by depreciation charges and provisions for capital assets and distributions to investors

(2) EBITDA corresponds to the EBITDAR (€102.5 million) after deducting distributions to investors (€58.4 million)

(3) Including €168.5 million in non recourse debts at the end of December 2016

(*) Non-recurring items included in EBITDA relate to €1.1m of costs for the strategic review of activity and financing.

(**) Non-recurring items included in the Profit before tax relate to €1.1 m of exceptional costs for the strategic review of activity and financing, €2.5m of exceptional goodwill impairment, and €1.3m of accounting charges for the "*mark to market*" valuation of the Convertible Bonds issued in July 2015 and an interest rate swap.

The consolidated accounts were approved by the Managing Partners on 28 March 2017 and were submitted to the Supervisory Board. The audit procedures on the consolidated accounts have been completed. The audit reports are in the process of being issued.

YEAR 2016

The year 2016 marked a general turnaround with growth across all operational indicators. Consolidated revenue increased, EBITDAR and EBITDA are improving. Operating income is increasing and positive. The Group's loss decreased.

The Modular Buildings and Freight Railcars activities play a particularly strong part in this recovery:

Sales of modular buildings are significantly up, driven by the German refugee market. The Modular Buildings Leasing activity has been strong in Germany and Poland and started to recover at the end of the year in France with projects for the construction sites related to the "Greater Paris" infrastructure project.

Freight railcar leasing continues to improve in Europe and is growing in Asia.

Leasing of river barges suffered a slight drop in activity in Europe mainly in chartering on the Rhine.

The market for Shipping Containers was contrasted with a decline in leasing rates generated by a deflation of steel and the price of new containers in the first part of the year. The Group has successfully implemented a strategy of used container sales to decrease operational expenses and increase utilisation rates to 94% at the end of 2016. The market turned around at the end of the year with inflationary pressure again on the purchase price of new containers and leasing rates.

The positive operational cash flows generated by the strategy of reduction of its own investments, the sale of non-strategic or non-leased assets and growth financing by third party investors have improved the key balance sheet ratios and achieved a loan to value ratio of 60%.

2016 RESULTS

The consolidated revenue in the year 2016 reached €362.9 million compared with €348.2 million in 2015 supported by the Modular Buildings and Freight Railcars activities (press release dated 23 February 2017 indicated the amount of €363.5 million, a correction of -€0.6 million was made to sales revenues in the Modular Buildings division).

This increase is reflected in EBITDAR with an increase of €5.8 million to reach €102.5 million in 2016. The EBITDAR reflects the performance of our business activities and all the assets managed by the Group. Overall, the Group manages €1.8 billion of assets, 40% of which are owned by the Group. At constant exchange rates, managed assets fell slightly.

The EBITDA also increased by €7.9 million, from €36.2 million in 2015 to €44.1 million in 2016. The EBITDA adjusted for non-recurring items amounted to €45.2 million. Significant costs for strategic review projects of activities and financing impacted the Group's EBITDA for a total of -€1.1 million.

Operating income increased by €17.5 million to reach €4.4 million in 2016. The 2016 operating income was impacted by the goodwill impairment of our subsidiary in Africa for a total of -€2.5 million.

The profit before tax increased by €17.2 million from -€28.4 million in 2015 to -€11.2 million in 2016. The profit before tax records the accounting expense of valuing financial instruments (convertible bonds and interest rate swap for a total of -€1.3 million. The profit before tax adjusted for these exceptional items amounted to -€6.3 million, up by €6 million.

The group's income therefore improved by €12.4 million with a loss of -€11.6 million in 2016.

FINANCIAL STRATEGY

The Group's financial strategy aims to continue improving its operating profitability to maximize its free cash flow to finance its growth mainly by third party investors (especially with its partnership with the Luxembourg SICAV-SIF successfully launched in 2016), which continues to have a positive effect on ratios and debt.

The Group's net banking debt decreased by €17.7 million (-5%) to €336.8 million in 2016. The average rate of gross financial debt on 31 December 2016 stood at 3.64% compared with 3.67% at the end of December 2015. Bank ratios have been respected and improved.

TOUAX successfully strengthened its financial resources in 2016 by conducting a capital increase of €11 million.

The Group's free cash (cash flow from operating activities after investments and changes in working capital) was positive at €30.2 million at end of December 2016.

OUTLOOK

The **Shipping Containers** leasing market has a positive outlook in 2017 with the combination of increasing steel prices, leasing rates and prices of used containers and low production of containers in China that will temporarily generate a shortage of equipment. The need for new equipment remains strongly linked to world trade growth expected to be around 3% in 2017.

The **Modular Buildings** activity continues to look favourable in Eastern Europe and should benefit in France from strong demand driven by the construction sites for the “Greater Paris” infrastructure project.

Demand for **River Barges** varies depending on the country, with low demand in South America, but a stabilising market and increasing requirements in Europe, particularly along the Seine.

The **Freight Railcars** leasing business in Europe continues to improve gradually enabling Touax to strengthen and develop third-party asset management.

The Group continues its strategic review of assets and activities and plans targeted sale of non-strategic or non-leased assets. In 2017, the Group will continue to implement a positive free cash strategy for stabilising its own assets and increasing its assets under management for third parties.

For 2017 we envisage a more favourable global environment for the Group's activities with expected growth in EBITDA and free cash flow enabling profitability to continue to improve.

UPCOMING DATES

- 30 March 2017: investor presentation an conference call
- 15 May 2017: Q1 2017 revenue
- 21 June 2017: Shareholders’ general meeting (Hotel Hilton La Défense)
- 31 August 2017: Half-year revenue and results

TOUAX Group leases out tangible assets (shipping-containers, modular buildings, freight railcars and river barges) on a daily basis to more than 5 000 customers throughout the world, for its own account and on behalf of third party investors. With more than €1.8 billion under management, TOUAX is one of the European leaders in the operational leasing of this type of equipment.

TOUAX is listed in Paris on NYSE EURONEXT – Euronext Paris Compartment C (Code ISIN FR0000033003) and on the CAC® Small and CAC® Mid & Small indexes and in EnterNext PEA-PME.

For more information: www.touax.com

Contacts:

TOUAX
Fabrice & Raphaël WALEWSKI
Managing Partners
touax@touax.com
www.touax.com
Tel: +33 (0)1 46 96 18 00

ACTIFIN
Ghislaine GASPARETTO
ggasparetto@actifin.fr

Tel: +33 (0)1 56 88 11 11